

This Hormel Foods Corporation Short-Term Hog Procurement Agreement (this "Agreement") is made **effective** _____, **200**____, by and between the undersigned producer of hogs (hereinafter referred to as "you") and Hormel Foods Corporation (hereinafter referred to as "we", "us" or "our").

1. Term; Termination. The initial term of this Agreement is six (6) months commencing on your first delivery of specified hogs. We will send you a written notice of the commencement date. This Agreement shall automatically renew for successive six-month terms unless terminated by either party at the end of the initial term or any renewal term by providing the other party at least thirty (30) days prior written notice of such termination. This Agreement is subject to immediate termination by us at any time if you default. This Agreement is subject to termination by us if we discontinue the slaughtering of hogs at the plant your hogs are delivered to.

2. Price. (a) Every Friday afternoon, we shall average the top two of the current week's (Monday - Friday) daily 10:00 a.m. Hormel Foods' plant delivered carcass hog prices. This is the "Contract Base Price" and shall remain in effect for the following Sunday through Saturday. If we discontinue spot purchases of hogs and no longer establish such a plant delivered hog price, then the Contract Base Price shall be equal to a rolling average of hog prices reported by an industry source as determined by us and uniformly used in our short-term hog procurement program. (b) For hogs delivered to buying stations, the plant delivered Contract Base Price shall be adjusted by our station delivered freight discount in effect at the time of delivery. (c) The Contract Price shall be used in connection with our carcass merit buying program ("Carcass Buying Program") in effect at the time of delivery to determine the final amount to be paid to you. Our Carcass Buying Program is subject to change by us in our discretion from time to time. (d) The hogs supplied under this Agreement shall be sold F.O.B. destination and title to hogs and risk of loss of hogs pass from you to us as specified in our Carcass Buying Program.

3. Our Obligations. (a) We agree to pay you for contracted hogs as set forth in paragraph 2 for the entire term of this Agreement. (b) We will inspect, sort and weigh hogs at the delivery location or the plant. (c) We will keep all necessary records with respect to the receipt, weighing and payment of all hogs in accordance with our regular record retention and destruction schedule. We currently retain all scale tickets, P&L's and checks for two (2) years. Upon giving us reasonable notice, you may inspect such records during normal business hours at locations designated by us. We will supply at your expense copies of such records as you reasonably request.

4. Your Obligations. (a) **You agree to supply all of your market hogs to us under this Agreement, excluding hogs previously contracted for sale, and estimate that you will supply the following quantity of hogs:**

_____ hogs per month beginning _____, 200____

for delivery to the following slaughter plant (Circle One and Only One Plant):

Austin Plant

Fremont Plant

Rochelle Plant

(b) You are solely responsible for the operation and management of your hog production operation. You are solely responsible for compliance of your hog production operation with all applicable federal, state and local laws and regulations. Examples include laws and regulations relating to permits to operate your facilities, handling and disposal of manure, and disposal of dead hogs.